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TWENTY-FIFTH ANNUAL REPORT
OF
REPUBLIC IRON & STEEL COMPANY
YOUNGSTOWN, OHIO

FOR THE FISCAL YEAR ENDING DECEMBER 31, 1924

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OF
REPUBLIC IRON & STEEL COMPANY
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UNIVERSITY OF ILLINOIS

REPUBLIC IRON & STEEL COMPANY

EXECUTIVE OFFICES

17 BATTERY PLACE, NEW YORK

GENERAL OFFICES

REPUBLIC BUILDING, YOUNGSTOWN, OHIO

PRINCIPAL OFFICE IN THE STATE OF NEW JERSEY

1 EXCHANGE PLACE, JERSEY CITY

REGISTRAR OF TRANSFERS

CHASE NATIONAL BANK, NEW YORK

TRANSFER AGENT

THE NEW YORK TRUST COMPANY, NEW YORK

R29
1924

REPUBLIC IRON & STEEL COMPANY

DIRECTORS

Term Expires 1925

THOMAS J. BRAY

HARRY L. ROWND

HARRY W. CROFT

Term Expires 1926

JOHN A. TOPPING

EARL W. OGLEBAY

WILLIAM T. GRAHAM

MATTHEW C. BRUSH

Term Expires 1927

EDWARD J. BERWIND

HOWARD M. HANNA

ALEXANDER GLASS

J. WILBERT DEETRICK

OFFICERS

JOHN A. TOPPING	.	.	.	.	.	.	Chairman
THOMAS J. BRAY	.	.	.	.	.	.	President
HARRY L. ROWND	.	.	.	.	.	.	1st Vice-President
J. WILBERT DEETRICK	.	.	.	.	.	.	2nd Vice-President
HERMAN M. HURD	.	.	.	.	.	.	Treasurer
RICHARD JONES, JR.	.	.	.	.	.	.	Secretary
SIMPSON, THACHER & BARTLETT	.	.	.	.	.	.	General Counsel

EXECUTIVE COMMITTEE

JOHN A. TOPPING

EDWARD J. BERWIND

THOMAS J. BRAY

HOWARD M. HANNA

WILLIAM T. GRAHAM

EARL W. OGLEBAY

HARRY L. ROWND

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To the Stockholders of the

REPUBLIC IRON AND STEEL COMPANY

The Board of Directors submits herewith its Twenty-Fifth Annual Report of operations for the fiscal year ending December 31st, 1924, together with a Financial Statement and General Report on the condition of the property at the close of the year.

INCOME REPORT

The promised improvement in the Iron and Steel market referred to in our last Annual Report, while realized, was contrary to general expectations, of short duration. However, the first quarter of the year was a period of decided activity and of firm prices. Following this period, as a result of adverse political developments and of general discouragement felt over tax relief measures, business confidence was unsettled, and in consequence, enterprise slowed down, prices weakened and general liquidation followed. The trade situation was further complicated by the Federal Trade Commission's Order abolishing a long-established method of selling steel, which intensified the market demoralization and caused further price declines to very unprofitable levels. Advantage was taken of this period of poor demand and low prices, to close down our Bessemer Steel Works, for reconstruction and improvements, which required about five months for completion and in consequence, costs during this period were not only burdened by idle expenses, but also adversely affected by shorter hours of work, high wage scales and subnormal employment, as production during this period averaged only 45% of capacity.

As a result of these conditions, profits were on a declining scale throughout the year, reaching low ebb during the third quarter, with gradual improvement, however, during the fourth quarter, as a result of increased production. Taken as a whole, the year's operations were disappointing both in volume and profits. Production for the year averaged about 60% of capacity, while average selling prices were substantially below those for the preceding year, and in consequence, profits declined, total Net Earnings Applicable to Dividends, for the year ending December 31st, 1924, being \$1,917,936.30.

During the year, there was expended for improvements and betterments, approximately, \$3,860,000.00, which improvements are referred to in detail elsewhere in this report. Additional improvements have been authorized for the year 1925, to the approximate amount of \$3,500,000.; the principal item being a By-Product Coke Works for our Southern Blast Furnaces. Upon completion of this plant, our entire coke requirements will be on a By-Product basis. The cost of this plant will be financed by an issue of short-term notes dated January 2, 1925, secured by an issue of Refunding General Mortgage 5½% Gold Bonds.

In this connection, it may be of interest to state, that due to expenditures heretofore made, our manufacturing facilities are now thoroughly modernized and while the full benefits from all improvements have not been realized, due either to recent completion or lack of operation, yet notwithstanding very substantial reductions in costs were made during the year and additional economies will accrue from the employment of recent improvements and also from improvements now authorized, when completed.

During the year, the regular quarterly dividends were paid on the Preferred Stock and, in addition, the balance of 1% on account of preferred dividends in arrears was paid. Accordingly, the appropriation from Surplus Account amounted to \$82,063.70 leaving the net balance of Surplus Account as at December 31st, 1924, \$32,921,772.06.

Working Capital was likewise reduced during the year on account of expenditures for improvements heretofore authorized, leaving the balance of Working Capital as at December 31st, 1924, \$20,153,892.76, which amount is ample for present corporate purposes.

R E P U B L I C I R O N & S T E E L C O M P A N Y

INCOME ACCOUNT AND STATEMENT OF SURPLUS

For the Year Ending December 31, 1924

Net Earnings from operations after deducting charges for maintenance and repairs of plants, amounting to \$3,932,216.25.....	\$ 3,769,353.86
Interest and Income from Investments.....	645,303.25
	<hr/>
TOTAL PROFITS FOR THE YEAR.....	\$ 4,414,657.11
Less:	
Provision for Depreciation and Renewals of Plants	\$ 1,133,130.64
Provision for Exhaustion of Minerals.....	240,957.83
Interest and Discount on Bonds.....	1,122,632.34
	<hr/>
	2,496,720.81
	<hr/>
NET PROFITS FOR THE YEAR APPLICABLE TO DIVIDENDS.....	\$ 1,917,936.30
Surplus at December 31, 1923.....	33,003,835.76
	<hr/>
	\$34,921,772.06
Deduct:	
Dividends—8% on Preferred Stock.....	*2,000,000.00
	<hr/>
NET SURPLUS CARRIED TO BALANCE SHEET	\$32,921,772.06

* Regular dividend 7% and the balance in arrears of 1%.

BALANCE SHEET

December 31, 1924

ASSETS

CAPITAL ASSETS:

Property Accounts:

Cost of Properties December 31, 1923.....	\$102,190,660.51	
Net additions for the year ending December 31, 1924	3,865,471.04	
		<hr/> \$106,056,131.55

Investments:

In Potter Ore Company:.....	\$ 401,000.00	
Investments in and advances to other companies.....	1,926,130.05	
		<hr/> 2,327,130.05

CASH DEPOSITED WITH TRUSTEES:

Cash resources held by Trustees for account of bond sinking funds	2,244.35
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CURRENT ASSETS:

Inventories of manufactured products, materials and supplies on hand.....	\$ 14,295,949.62	
Ore at docks.....	2,718,206.00	
		<hr/> \$17,014,155.62
Accounts and notes receivable after deducting reserve for doubtful accounts	5,481,277.15	
Investment in United States Treasury Certificates.....	989,895.83	
Cash in banks.....	1,466,557.46	
		<hr/> 24,951,886.06

DEFERRED CHARGES:

Expenditures for explorations, stripping at mines, advanced royal- ties, bond discount and expense, chargeable to future operations	2,584,879.24	
		<hr/> \$135,922,271.25
NET CURRENT ASSETS.....	\$ 20,153,892.76	

BALANCE SHEET

December 31, 1924

LIABILITIES

CAPITAL STOCK:

Common—300,000 shares of \$100 each.....	\$ 30,000,000.00	
Preferred 7% Cumulative—250,000 shares of \$100 each	25,000,000.00	
		\$ 55,000,000.00

10-30 YEAR 5% SINKING FUND MORTGAGE GOLD BONDS:

(Total authorized issue \$25,000,000.00)		
Total issued.....	\$ 20,869,000.00	
Less: Bonds purchased for Sinking Fund.....	\$8,919,000.00	
Bonds held in Treasury.....	522,000.00	9,441,000.00
		11,428,000.00

REFUNDING AND GENERAL MORTGAGE SINKING FUND 5½% GOLD BONDS:

(Total authorized issue \$10,000,000.00)		
Total issued.....	\$ 10,000,000.00	
Less: Bonds purchased for Sinking Fund.....	522,000.00	
		9,478,000.00

FIRST MORTGAGE 6% SERIAL GOLD BONDS OUTSTANDING ON BESSEMER MINES NOS. 1 AND 2.....

400,000.00

POTTER ORE COMPANY BONDS:

\$65,000.00 Outstanding First Mortgage 5% Bonds guaranteed jointly with Tennessee Coal, Iron & Railroad Company, less that Company's proportion.....	32,500.00
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CURRENT LIABILITIES:

Accounts Payable.....	\$ 3,117,643.13	
Federal, State and Other Taxes.....	827,355.19	
Accrued Bond Interest.....	415,494.98	
Provision for Dividend payable January 2, 1925.....	437,500.00	
		4,797,993.30

RESERVES:

For Exhaustion of Minerals and Mining Equipment.....	\$ 5,032,580.92	
For Depreciation and Renewal of Plants.....	14,894,572.55	
For Relining and Rebuilding Furnaces.....	721,227.26	
For Fire and Accident Insurance.....	635,687.64	
For Contingencies.....	579,937.52	
		21,864,005.89

SURPLUS:

Balance December 31, 1924, per attached statement.....	32,921,772.06
	\$135,922,271.25

PRICE, WATERHOUSE & COMPANY

56 PINE STREET

NEW YORK, January 31st, 1925.

TO THE DIRECTORS OF THE

REPUBLIC IRON & STEEL COMPANY

We have examined the books and accounts of the Republic Iron & Steel Company for the year ending December 31st, 1924, and find that the balance sheet at that date and the relative income account are correctly prepared therefrom.

During the year only actual additions have been charged to property account, and sufficient provision has been made for depreciation and exhaustion of minerals. The deferred charges represent expenditures reasonably and properly carried forward to the operations of subsequent years.

The inventories of stocks on hand as certified by responsible officials have been carefully and accurately valued at not exceeding cost or market. Full provision has been made for bad and doubtful accounts and bills receivable, and for all ascertainable liabilities; and we have verified the cash and securities by actual inspection or by certificates from the depositaries.

Subject to the final adjustment of Federal Taxes for the year subsequent to 1917, WE CERTIFY that the balance sheet is, in our opinion, properly drawn up so as to show the financial position of the Company on December 31st, 1924, and that the relative income account is a fair and correct statement of the result of operations for the year ending at that date.

PRICE, WATERHOUSE & CO.

R E P U B L I C I R O N & S T E E L C O M P A N Y

WORKING CAPITAL

The following statement covers items affecting Working Capital from organization of the Company to December 31, 1924, and is followed by Comparative Statement of Net Working Assets, as shown by the books of the Company as at December 31, 1922, 1923 and 1924:

Working Capital, May 3, 1899.....	\$ 6,500,000.00
Collateral Notes Issued, October 1, 1904.....	7,000,000.00
Bond Issue, October 1, 1904.....	10,000,000.00
Preferred Capital Stock Sold.....	110,000.00
10-30 Year Bonds Issued.....	20,869,000.00
Mortgage Notes on Haselton Property.....	1,475,000.00
Additional Preferred Stock Sold.....	4,583,100.00
Additional Common Stock Sold.....	2,809,000.00
Refunding and General Mortgage Bonds Issued.....	10,000,000.00
Amounts Reserved out of Profits for Depreciation and Renewals, Insurance and Contin- gencies	22,000,005.89
Net Profits, May 31, 1899, to December 31, 1924.....	82,033,541.86

EXPENDED

Dividends on Preferred Stock.....	\$ 41,543,936.87	
Dividends on Common Stock.....	7,553,472.00	
Collateral Notes Paid.....	7,000,000.00	
Bonds Retired	20,084,500.00	
Haselton Notes Paid.....	1,475,000.00	
Bond Sinking Fund.....	2,244.35	
Investments, etc. (less Potter Bonds).....	2,694,490.98	
Prepaid Mining Expense, etc.....	2,584,879.24	
New Construction.....	55,936,472.35	
Property and Plants.....	8,350,759.20	
		147,225,754.99

NET CURRENT ASSETS PER BALANCE SHEET

\$ 20,153,892.76

Consisting of:

Inventory	\$ 14,295,949.62
Ore at Docks.....	2,718,206.00
Accounts and Bills Receivable.....	5,481,277.15
U. S. Treasury Certificates.....	989,895.83
Cash	1,466,557.46

\$ 24,951,886.06

Less Current Liabilities..... 4,797,993.30

NET CURRENT ASSETS..... \$ 20,153,892.76

COMPARATIVE STATEMENT OF NET WORKING ASSETS

Current Assets	Dec. 31, 1924	Dec. 31, 1923	Dec. 31, 1922
Inventory	\$14,295,949.62	\$14,633,088.40	\$13,831,185.35
Ore at Docks.....	2,718,206.00	2,140,850.14	2,412,478.94
Accounts and Bills Receivable.....	5,481,277.15	4,912,245.51	7,201,290.57
U. S. Treasury Certificates.....	989,895.83	4,470,625.00	.....
Cash	1,466,557.46	3,968,630.97	1,760,439.81
	\$24,951,886.06	\$30,175,440.02	\$25,205,394.67
Less Current Liabilities.....	4,797,993.30	4,754,927.03	9,048,623.75
NET CURRENT ASSETS.....	\$20,153,892.76	\$25,420,512.99	\$16,156,770.92

COMPARATIVE STATEMENT OF INCOME

	Year Ending Dec. 31, 1924	Year Ending Dec. 31, 1923	Year Ending Dec. 31, 1922
Net earnings from Operations, after deducting charges for Maintenance and Repairs of Plants, amounting to:			
December 31, 1924, \$3,932,216.25	\$ 3,769,353.86	\$ 8,600,792.32	\$ 2,189,408.47
December 31, 1923, 4,533,727.51			
December 31, 1922, 2,732,623.42			
Interest and Dividends Received.....	645,303.25	667,003.64	331,453.47
TOTAL PROFITS FOR THE YEAR.....	\$ 4,414,657.11	\$ 9,267,795.96	\$ 2,520,861.94
Less:			
Provisions for Depreciation and Renewal of Plants	\$ 1,133,130.64	\$ 1,404,578.97	\$ 1,002,372.67
Provision for Exhaustion of Minerals.....	240,957.83	384,358.89	222,810.32
Interest and Discount on Bonds and Notes.....	1,122,632.34	1,226,639.80	877,367.10
	\$ 2,496,720.81	\$ 3,015,577.66	\$ 2,102,550.09
NET PROFITS APPLICABLE TO DIVIDENDS.	\$ 1,917,936.30	\$ 6,252,218.30	\$ 418,311.85
Add:			
Surplus December 31, 1923.....	\$33,003,835.76		
Surplus December 31, 1922.....		\$30,001,617.46	
Surplus December 31, 1921.....			\$29,576,329.35
	\$34,921,772.06	\$36,253,835.76	\$29,994,641.20
Deduct:			
Dividends on Preferred Stock.....	2,000,000.00	3,250,000.00	.....
NET SURPLUS CARRIED TO BALANCE SHEET	\$32,921,772.06	\$33,003,835.76	\$29,994,641.20

REPUBLIC IRON & STEEL COMPANY

INVENTORIES

In accordance with the usual custom of the Company inventory was taken at cost on all products mined, manufactured or purchased by it. For all classes of material the inventories are in no case higher than present market prices.

CLASSIFICATION	As at Dec. 31, 1924	As at Dec. 31, 1923	As at Dec. 31, 1922
Finished Product.....	\$ 4,698,071.51	\$ 4,054,170.75	\$ 3,549,784.96
Pig Iron.....	1,280,464.76	1,604,287.13	397,162.68
Puddle Mill Products.....	60,943.84	94,472.17	27,706.64
Billets, Blooms, Slabs.....	1,056,637.80	638,671.37	601,641.19
Ores	3,802,236.67	4,673,083.50	5,526,127.40
Scrap	720,701.67	370,808.73	476,989.48
Ferro-Manganese	79,872.59	54,907.64	164,510.81
Fuel	239,903.48	544,636.79	630,809.52
Rolls, Molds and Stools.....	152,521.22	164,325.16	172,777.51
Stores	1,793,274.13	2,072,542.30	1,955,896.93
Commissary Supplies.....	86,115.47	100,303.47	81,097.37
Miscellaneous	325,206.48	310,879.39	246,680.86
TOTAL	\$14,295,949.62	\$14,683,088.40	\$13,831,185.35

COMPARATIVE STATEMENT OF EARNINGS AND DISPOSITION OF INCOME

	Year Ending Dec. 31, 1924	Year Ending Dec. 31, 1923	Year Ending Dec. 31, 1922
Gross Profits	\$ 4,414,657.11	\$ 9,267,795.96	\$ 2,520,861.94
Depreciation and Charges.....	2,496,720.81	3,015,577.66	2,102,550.09
Net Profits.....	1,917,936.30	6,252,218.30	418,311.85
Dividends	2,000,000.00	3,250,000.00	.....
Amount carried to Surplus.....	* 82,063.70	3,002,218.30	418,311.85
Balance Surplus Account.....	32,921,772.06	33,003,835.76	29,994,641.20

GROSS VOLUME OF BUSINESS

Year Ending	
December 31, 1924.....	\$43,982,523.20
December 31, 1923.....	59,043,130.76
December 31, 1922.....	39,123,708.18

* Deducted

COMPARATIVE STATEMENT OF ANNUAL CHARGES TO COST OF PRODUCTION AND DEDUCTIONS FROM PROFITS FOR REPAIRS AND MAINTENANCE, DEPRECIATION AND OTHER PROVISIONAL FUNDS

	Year Ending Dec. 31, 1924	Year Ending Dec. 31, 1923	Year Ending Dec. 31, 1922
Repairs and Maintenance.....	\$ 3,932,216.25	\$ 4,533,727.51	\$ 2,732,623.42
Charges for Depreciation and Renewals of Plants.....	1,108,130.64	1,404,578.97	1,002,372.67
TOTAL	\$ 5,040,346.89	\$ 5,938,306.48	\$ 3,734,996.09
 Provision for Exhaustion of Minerals.....	 240,957.83	 384,358.89	 222,810.32

PROVISIONAL FUNDS

Year Ending	For Depreciation and Renewal of Plants	For Exhaustion of Minerals	For Relining of Furnaces	For Fire and Accident Insurance	For Contingencies
December 31, 1924.....	\$14,894,572.55	\$5,032,580.92	\$ 721,227.26	\$635,687.64	\$579,937.52
December 31, 1923.....	14,704,415.53	4,791,623.09	1,248,926.00	693,902.06	635,310.04
December 31, 1922.....	13,594,518.44	4,460,588.00	1,095,123.77	744,615.54	644,054.49

NEW CONSTRUCTION AND PROPERTY ADDITIONS

Additions to the Property Account during the year aggregated \$3,865,471.04. The total New Construction to Date, December 31, 1924, is:

Blast Furnaces.....	\$12,703,822.72
Steel Plants, Rolling Mills and Factories.....	27,206,897.58
Ore Mines, Coal Mines, Coke Ovens and Quarries.....	15,309,298.47
Miscellaneous	765,044.63
TOTAL	\$55,985,063.40

SUMMARIZED COMPARATIVE STATEMENT OF PROPERTY ACCOUNT

	Year Ending Dec. 31, 1924	Year Ending Dec. 31, 1923	Year Ending Dec. 31, 1922
New Construction.....	\$ 3,816,879.99	\$ 3,158,497.12	\$ 273,712.50
Property Additions.....	6,508.95	49,676.25	83,382.83
Property Sold.....	55,100.00	42,325.00	.....
Unexpended Balance of Provision for Depreciation and Renewals for Year.....	190,157.02	984,897.09	918,594.68
Net Balance of Property Account.....	86,128,978.08	82,694,621.89	80,970,705.70

BLAST FURNACES

During the year extensive improvements were made at the Company's Haselton group of blast furnaces. No. 5 Haselton Furnace was relined and completely overhauled after being in blast nearly seven years. No. 4 Haselton Furnace was relined and rebuilt. New gas washing equipment was added to No. 4 and the stoves were rebuilt. Both blast furnaces were increased somewhat in capacity. It is probable that during the latter part of 1925, Haselton Furnace No. 2 will be put out for relining and at the same time this furnace (which now has a nominal capacity of 400 tons per day) will be increased in capacity to at least 600 tons per day. It is estimated that this proposed increase together with the increases in capacity which have been made from time to time at the other modern furnaces in the Haselton group, will provide sufficient pig iron capacity in modern furnaces at Haselton to cover the Company's present normal steel making needs for pig iron in the Youngstown District and that the need of operating any of the older outlying furnaces will, under ordinary market conditions, have disappeared.

The Northern blast furnaces of the Company were, as usual, operated during the year in keeping with the demand for steel making pig iron, so that the total production shows a decrease as compared with the preceding year.

PIG IRON PRODUCTION

Year Ending	Gross Tons
December 31, 1924.....	731,127
December 31, 1923.....	992,033
December 31, 1922.....	632,498

BESSEMER STEEL WORKS

Opportunity was taken during the period of slack demand for steel during the last half of the year 1924 to install the improvements to the rolling mill of the Bessemer Steel Plant. These improvements, described in the 1923 Annual Report, were all completed during 1924 and the plant is now operating satisfactorily, and on a substantially lower cost of conversion basis.

PRODUCTION — BESSEMER STEEL WORKS

Year Ending	Ingots—Gross Tons
December 31, 1924.....	210,545
December 31, 1923.....	356,919
December 31, 1922.....	122,013

OPEN HEARTH STEEL WORKS

During the year, the construction of the additional Open Hearth furnace of 100 tons normal capacity mentioned in the preceding Annual Report was completed and this furnace is now in operation. As explained in the 1923 report, the surplus ingots produced at the Open Hearth Plant, due to the growth of this plant, are being taken over the new ingot interchange track and are being rolled on the new rolling mill at the Bessemer Plant.

Due to the rebuilding of the Bessemer Plant the production of Bessemer Steel was restricted during the last half of the year. This, together with the falling off in business during that period, accounts for the reduced tonnage of ingots produced.

PRODUCTION—OPEN HEARTH AND BESSEMER STEEL WORKS

Year Ending	Ingots—Gross Tons	
	Open Hearth	Bessemer and Open Hearth
December 31, 1924.....	540,753	751,298
December 31, 1923.....	658,573	1,015,492
December 31, 1922.....	609,535	731,548

ROLLING MILLS AND FACTORIES

In the 1923 Annual Report under the above heading, a description was given of the additional butt weld mill authorized in the latter part of 1923. This mill is practically completed and will be in operation within a short time. As usual, at all of the rolling mills and factories, liberal expenditures were made for betterment and upkeep and all of the plants are in good condition for economical operation.

ANNUAL SHIPMENTS

CLASSIFICATION	Year Ending Dec. 31, 1924	Year Ending Dec. 31, 1923	Year Ending Dec. 31, 1922
	Tons	Tons	Tons
Finished Products.....	476,834	706,195	452,778
Semi-Finished Products.....	141,054	173,885	203,499
Pig Iron.....	229,180	218,711	245,483
TOTAL	847,068	1,098,791	901,760

IRON ORE MINES

Operations at the Company's iron ore mines were, as usual, proportionate to the needs of its blast furnaces and, on this account, the tonnage produced was less than that of the preceding year. While the tonnage produced was small, all plants were kept in good condition. The figures given below include the total production of mines owned and operated by the Company, together with its production of the properties in which it owns an interest.

Year Ending	Ore Production—Gross Tons
December 31, 1924.....	1,158,848
December 31, 1923.....	1,519,348
December 31, 1922.....	969,669

IRON ORE RESERVES

The changes shown in the total iron ore reserves are due to increases by drilling and development and by deduction for ore mined.

Year Ending	Tons		
	North	South	Total
December 31, 1924.....	38,528,629	78,006,152	116,534,781
December 31, 1923.....	38,695,795	78,621,172	117,316,967
December 31, 1922.....	46,532,244	79,201,585	125,733,829

COAL AND COKE

The output of coal from the Company's mines for the year was 1,770,615 tons. Operations were at a rate sufficient to produce practically all the coking, gas and steam coal necessary to operate all of the Company's manufacturing properties. The only coal purchased was a comparatively small percentage of low volatile coking coal for mixing purposes. The coke production given is lower than 1923, partly on account of business conditions, and also because of the fact that the Company's bee-hive ovens at Thomas, Alabama, were shut down the entire year, by-product coke being purchased to replace this coke at a saving in cost as against operating the bee-hive ovens. To remedy this situation, contracts have been let and construction started on a new By-Product Plant adjacent to the Company's furnaces at Thomas. It is expected that this plant will have a capacity of 1,000 tons of coke per day and be completed on or about January 1, 1926, which output, taken in connection with Northern production, will make the total By-Product capacity about 1,200,000 tons per annum. The usual equipment has also been provided for the full recovery of Benzol, Ammonium Sulphate, Tar and other By-Products.

		Coal Production—Net Tons
Northern District.....		1,138,672
Southern District.....		631,943
		1,770,615
		By-Product Coke Production—Net Tons
December 31, 1924.....		527,888
December 31, 1923.....		803,873
December 31, 1922.....		606,191

COAL RESERVES

	1924 Net Tons	1923 Net Tons	1922 Net Tons
COKING COAL:			
Northern District.....	48,687,140	47,769,402	49,479,951
Southern District.....	66,706,202	67,204,273	67,968,517
Total	115,393,342	114,973,675	117,448,468

STEAM COAL:

Northern District.....	.....	.....	.....
Southern District.....	13,433,820	13,433,820	13,433,820
Grand Total.....	128,827,162	128,407,495	130,882,288

SUMMARY OF PRODUCTION

		1924	1923	1922
Iron Ore.....	Gross tons	1,158,848	1,519,348	969,669
Coal	Net "	1,770,615	2,474,793	1,555,313
Coke	" "	527,888	803,873	606,191
Pig Iron.....	Gross "	731,127	992,033	632,498
Bessemer Steel Ingots.....	" "	210,545	356,919	122,013
Open Hearth Steel Ingots.....	" "	540,753	658,573	609,535
Total Steel Ingots.....	" "	751,298	1,015,492	731,548
Finished and Semi-Finished Products.....	Net "	706,784	971,116	733,496

MANUFACTURED PRODUCTS

The manufactured products of the Company are as follows: Merchant Steel and Iron Bars, Light Structural and Agricultural Shapes, Sheared Plates, Standard and Hand Spikes, Bolts, Nuts, Turnbuckles, Cold-Drawn Bars, Tubular Products, Black and Galvanized Sheets, Bessemer and Open Hearth Billets and Sheet Bar, Foundry, Bessemer and Basic Pig Iron; also by-products from the manufacture of coke.

PROPERTIES, ROLLING MILLS AND FACTORIES

MANUFACTURING PLANTS

Plants	Location
Brown-Bonnell Works.....	Youngstown, Ohio
Youngstown Steel Works (Bessemer).....	" "
Haselton Steel Works (Open Hearth).....	" "
Haselton Steel Tube Works.....	" "
Haselton Rolling Mills.....	" "
Shafting Works.....	" "
Niles Works.....	Niles, Ohio
Indiana Bolt Works.....	Muncie, Indiana
Inland Works.....	East Chicago, Indiana
Sylvan Works.....	Moline, Illinois

BLAST FURNACES

	Number of Stacks	Location
Haselton Furnaces	5	Youngstown, Ohio
Hannah Furnace	1	" "
Atlantic Furnace	1	New Castle, Pennsylvania
Pioneer Furnaces	3	Birmingham, Alabama
Total	10	

REAL ESTATE

Improved and Unimproved

	Acres		Acres
North.....	1,312	South.....	1,963
Total.....	3,275		

NOTE—Surface lands necessary for the protection of mineral rights not included in above total.

TENANT HOUSES

North.....	820	South.....	1,335
Total.....	2,155		

ORE MINES

NORTHERN:

	Location
Cambria No. 1.....	Negaunee, Michigan
Cambria No. 2.....	" "
Lillie	" "
Minckler	Iron River, "
Sherwood	" " "
Franklin	Virginia, Minnesota
Pettit	Gilbert, "
Plumer	Iron Belt, Wisconsin
Bray	Keewatin, Minnesota
Gordon	" "
Kinney	Kinney, "

SOUTHERN:

Alfretta Group (4 slopes).....	Birmingham, Alabama
Raimund Group (3 slopes).....	" "
Houston	" "
Tannehill	" "
Spaulding	" "

COAL AND COKE PROPERTIES

NORTHERN:

	Location
Republic	Republic, Pennsylvania
Martin	Martin, "
Bowood	Smithfield, "
Bessemer	Russellton, "
By-Product Coke Works and Benzol Plant.....	Youngstown, Ohio.

SOUTHERN

Warner	Birmingham, Alabama
Sayreton	" "
Thompson	" "
Thomas	" "
Palos	" "

LIMESTONE PROPERTIES

SOUTHERN:

	Location
Thomas	Birmingham, Alabama
Dale	" "

MISCELLANEOUS PROPERTIES OWNED ENTIRELY OR IN PART BY THE COMPANY

CAMBRIA STEAMSHIP COMPANY
 GENERAL WATER COMPANY
 LAKE ERIE LIMESTONE COMPANY
 MAHONING ORE & STEEL COMPANY
 POTTER ORE COMPANY
 REPUBLIC COLLIERIES COMPANY
 REPUBLIC SUPPLY COMPANY
 RUGBY IRON COMPANY
 TOWNSITE MINE
 UNION LIMESTONE COMPANY
 UNION ORE COMPANY
 VERMILLION MINING COMPANY

LABOR AND EMPLOYMENT

During the year no change was made in steel producing labor rates, for in general at our steel works and factories, labor is now being paid the same rates as were in effect September, 1923, when the twelve-hour turn was eliminated. The average yearly earnings per man tabulated below, show a slight change as compared with the previous year. This comparative yearly average of wages was influenced by various factors, the two principal ones being, that Pig Iron production South did not decline in proportion to the reduction made in output of steel products North, and consequently, Southern wages reflect less unemployment; on the other hand, Northern labor costs show an increase, due to the fact, that in the year previous, elimination of the twelve-hour turn did not become operative until September, whereas the current year reflects the full influence of this increased cost.

AVERAGE NUMBER OF MEN EMPLOYED

	Year Ending Dec. 31, 1924	Year Ending Dec. 31, 1923	Year Ending Dec. 31, 1922
NORTH:			
Ore Mines.....	214	437	242
Coal Mines and Ovens.....	1,322	1,840	997
Furnaces	834	876	443
Works	6,757	7,319	5,357
Total North.....	9,127	10,472	7,039
SOUTH:			
Ore Mines.....	682	694	509
Coal Mines and Ovens.....	753	781	844
Furnaces	449	507	397
Commissaries	35	41	37
Total South.....	1,919	2,023	1,787
Grand Total.....	11,046	12,495	8,826

TOTAL EXPENDED FOR LABOR

Year Ending	Amount	Average Per Man
December 31, 1924.....	\$19,280,523.79	\$1,745.00
December 31, 1923.....	22,076,565.56	1,767.00
December 31, 1922.....	13,108,275.22	1,485.00

UNFILLED ORDERS AND BUSINESS OUTLOOK

The year 1924, except for a brief period of activity, for reasons stated elsewhere in this report, was disappointing in volume of trade. Since the November elections, however, a very substantial improvement in demand for Iron and Steel has occurred and some recovery in price realized.

As to present business conditions, it may be said, that at no time since the war has the business structure rested upon a firmer basis or have we had a more reassuring political outlook. Under these conditions, with agriculture prospering, money abundant and cheap, enterprise should be stimulated and demand for Iron and Steel broadened. At all events, we start the year 1925 with a fair reserve of orders on hand and with operations close to normal.

The balance of Unfilled Orders on hand as of December 31, 1924, as compared with previous years, is as follows:—

FINISHED AND SEMI-FINISHED

Year Ending	Tons
December 31, 1924.....	228,965
December 31, 1923.....	68,955
December 31, 1922.....	162,025

PIG IRON

Year Ending	Tons
December 31, 1924.....	67,874
December 31, 1923.....	72,956
December 31, 1922.....	57,923

The Board of Directors takes pleasure in expressing its appreciation to the Officers and employes of the Company, for the loyal and efficient services rendered by them during the past year.

By Order of the Board of Directors.

Respectfully yours,

JOHN A. TOPPING,

Chairman.

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